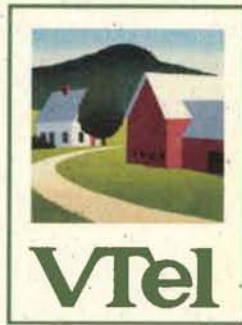


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FCC Mail Room

Julius Genachowski
Chairman
FCC
445 12th Street SW
Washington, DC 20554

September 30, 2011

ORIGINAL

Dear Chairman Genachowski,

Please permit me to explain why Vermont Telephone Company ("VTel") – one of America's small rural independent telephone companies – supports AT&T's merger with T-Mobile USA. We see this as a once-in-a-decade opportunity for the FCC to accelerate U.S. innovation, preserve and create U.S. jobs, reduce per-Gigabyte prices for consumers, and create a roadmap for AT&T and rural companies like VTel to extend wireless to every rural home in America.

Some VTel introduction might help. VTel bought 17,500 rural Vermont lines from GTE in 1994. We invested \$115 million during 1994-2010 to upgrade this network, to extend fiber to New York and Boston, and to acquire spectrum in FCC wireless auctions. Our FCC auction bidding probably added some \$50 million to total FCC auction revenues, for licenses we bought, and for licenses where we were outbid. We were humbled and honored in 2010 to be selected as one of America's largest ARRA awardees, receiving over \$125 million in loans and grants from RUS and NTIA. We are using these funds to build GigE to every VTel home, 4G wireless to every un-served Vermont rural community, and Smart Grid statewide.

America is falling behind in Global Telecom Equipment Sales: Huawei and ZTE are positioned to surpass Alcatel-Lucent and Ericsson in global Telecom Equipment sales in 2011. Before forming VTel, I was Salomon Brothers' Telecom Equipment analyst. As you know Nortel went bankrupt, Lucent was absorbed into Alcatel, Motorola's wireless network division was sold, and a half dozen venture-funded U.S. wireless technology start-ups failed. Tens of thousands of U.S. jobs were lost, with more ahead. Alcatel-Lucent's 2010 global sales of \$21.2 billion grew a compounded 6.4% per year from \$15.6 billion in 2005. Ericsson's 2010 global sales of \$30.5 billion grew 6% per year from \$22.6 billion in 2005. Meanwhile Huawei's 2010 global sales of \$28.9 billion grew 30.6% per year, from \$7.6 billion in 2005. ZTE's 2010 global sales of \$10.9 billion grew 26.2% per year from \$3.4 billion in 2005. If this arithmetic trend continues, 2011 is the year we lose global sales leadership in this sector.

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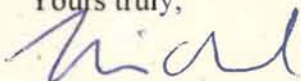
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AT&T is a champion of Buy-American. VTel followed AT&T's example. We are building our FTTH and 4G wireless networks using Alcatel, with some Ericsson and Calix and Microsoft and HP and Juniper. In 2011 this consists of unsurpassed technology rooted importantly in Bell Labs and other U.S.-developed intellectual property. Yet to maintain U.S. wireless technology momentum AT&T and Verizon must lead the world in wireless speeds, and data throughputs, at a time when wireless subscriptions in America comprise less than 6% of the global total. Even small VTel desperately needs more FCC bandwidth. Mobile speeds of GigE, on 4G wireless, as demonstrated by Huawei at the Shanghai World's Fair, are obviously moving toward commercial development. Helping AT&T merge with T-Mobile USA helps us all move ahead, faster, contributing to an "all-boats-rising" U.S. wireless ecosystem.

AT&T is a friend to Rural America: AT&T is unusual among large U.S. telephone companies because it alone, in the past decade, never sought to abandon its rural telephone lines. This seems especially material in Vermont today, because Vermonters are paying a high price for Verizon's decision to sell its over-priced rural lines to under-funded Fairpoint, leading to one of the largest Telco bankruptcies in U.S. history. By contrast, AT&T's investment of hundreds of millions of dollars into Microsoft Media Room with U-Verse is a life-saver for small rural companies like mine. We are deploying this today to help survive against Comcast. When VTel needed advice about integration of Alcatel and Ericsson and Calix and Juniper, we reached out to Tom Smith, head of AT&T's global wired/wireless technology, who spent 45 minutes with us. When we asked about roaming, Bill Hague, in charge of global roaming, met with us. AT&T's corporate culture is uniquely cooperative and rural-friendly. T-Mobile is for sale, and will be bought by someone. Every competing buyer mentioned in the trade press, other than AT&T, will be *worse for rural America*.

I respectfully advocate the AT&T merger with T-Mobile USA can be -- and should be -- encouraged under your able leadership, with "all-boats rising" FCC roadmaps to three national broadband goals: (i) One FCC roadmap to wireless mobile speeds of 100 Meg and beyond; (ii) A second FCC roadmap to much lower per-Gig wireless prices to hundreds of millions of Americans; (iii) A third FCC rural roadmap enabling AT&T and rural wireless carriers such as VTel to work cooperatively to reach the last farmhouse. This third FCC rural roadmap might include AT&T sale of some spectrum in selected rural areas, an FCC policy of rapidly auctioning much more spectrum to all carriers with parallel set-asides to smaller rural carriers, and guidelines for rural voice and data roaming and rural CPE purchases, enabling rural carriers like VTel to do what we do best, and what no one else wants to do -- deliver wireless mobile broadband with world-class speeds and reliability to un-served rural America.

Yours truly,



Dr. Michel Guité, Chairman

cc. Congressman Peter Welch, Sen. Bernie Sanders, Sen. Pat Leahy, Gov. Pete Shumlin